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C O N F I D E N T I A L RIYADH 005371

E.O. 12958: DECL: 08/01/2015
TAGS: [PGOV](#) [PREL](#) [SA](#)
SUBJECT: THE LATE SAUDI KING FAHD: A MIXED LEGACY

REF: A) RIYADH 4932 B) RIYADH 5352

Classified By: Classified by Ambassador James Oberwetter,
reasons 1.4 (b) and (d).

11. (C) Summary: A chief architect of Saudi Arabia's transformation from feudal monarchy to modernizing nation state, the late King Fahd will be remembered above all as a modernizer -- a ruler who pushed his subjects to abandon their feudal insularity and join the modern world-- and an institution-builder. Fahd did more than any other Saudi king to develop Saudi political institutions; the group of reforms decreed in 1992 were the most comprehensive modernization of the Kingdom's political structure since its founding in 1932. He should also be remembered as a steadfast ally of the U.S. who played an important role against communism, for Arab-Israeli peace, and for stability in the Gulf region.

12. (C) His domestic legacy, however, is a mixed one, for some of the most pressing problems the Kingdom faces today find their genesis in the late King's policy choices. Lacking the religious stature and authority to contain conservative religious elements, he was obliged to allow one of the most crucial building blocks of a modern nation state -- the education system -- to remain in the hands of reactionary religious conservatives who saw no need to give the Kingdom's burgeoning youth the skills necessary to allow the country to overcome its heavy dependence on foreign labor.

13. (C) The late King's personal profligacy and inability or unwillingness to control the greed and excesses of the royal family, particularly during the downturn in oil prices in the 1980s, resulted in economic hardship for many average Saudis and eroded popular support for the royal family. His indecisiveness when facing the economic crises that began in 1986 led him to postpone making many of the necessary hard choices required to restructure the Saudi economy. Most strikingly, during his reign, public sector debt grew for a time from zero to a level exceeding GDP, although the SAG has now paid it down to half of GDP. End summary.

The Essential Fahd

14. (C) Born circa 1921, Fahd was the eleventh son of King Abd Al-Aziz bin Abd Al-Rahman Al Saud, who founded the modern Kingdom of Saudi Arabia in 1932. Following the death of Abd Al-Aziz in 1953, the Kingdom was led by Fahd's elder brothers Saud (1953-1964), Faisal (1964-1975), and Khalid (1975-1982) before Fahd became king in June 1982. Fahd's future role in world politics was foreshadowed when he accompanied Faisal to the San Francisco conference in 1945 that established the UN.

Having served as governor of Al-Jawf province and then Minister of Education, he was named Minister of Interior in 1962. King Faisal's assassination in 1975 led to Khalid's accession and Fahd's promotion to crown prince and deputy prime minister. Although his reign officially began in 1982 upon Khalid's death, the "Fahd era" truly began in 1975 as he oversaw the Kingdom's domestic and foreign policies for the ailing and generally disinterested King Khalid.

An institution builder

15. (C) King Fahd did more than any other Saudi king to develop the Kingdom's political institutions. A group of reforms decreed in 1992 -- the Basic Law, the Laws of the Council of Ministers, the Majlis Al-Shura law, and the Regions -- formed the most comprehensive modernization of the Kingdom's political structure since its founding in 1932. The Basic Law identifies Saudi Arabia as a monarchy ruled by descendants of Abd Al-Aziz Al Saud, with its constitution being the Quran and the Sunna (the traditions of the Prophet Muhammad). It sets forth the principles, rights, and duties of the state as well as the mechanism for selecting the Crown Prince and the roles of the executive, judicial, and regulatory authorities. The Council of Ministers law details the powers (and the limits) of the cabinet, led by the King as prime minister, and grants this body executive power and final authority in all financial and administrative affairs of government entities. By issuing these two laws, Fahd streamlined Saudi politics and institutionalized what had been merely tradition -- the King's right to select and to remove the Crown Prince and, upon the King's death, the Crown Prince's automatic assumption of royal powers until pledges of allegiance can be made to him.

16. (C) Both Kings Faisal and Khalid had talked about creating a national consultative council, but it was King Fahd who established the Majlis Al-Shura by statute in 1992 (its first session was in 1993). The Majlis is far from a western-style legislature; it is a fully appointed body of 120 members enabled only to give advice based on the Quranic principles of consultation and consensus. Majlis members debate matters referred to them by the King and by the general public and formulate advisory opinions for passage to the King. The Majlis has the right to request documents from state agencies and to summon government officials -- several ministers have appeared before the council. Through the Majlis, King Fahd institutionalized the input of academics and technocrats into the Saudi policy formulation process: many of its members have doctoral degrees from U.S. universities. The Law of the Regions, the final piece of Fahd's 1992 reform initiative, strengthened the role of the Interior Minister in administering the country's provinces and established councils in each region similar in function to the national Majlis Al-Shura.

17. (C) In addition to streamlining government institutions, Fahd had to deal with another major domestic political task as king -- managing the royal family. To keep the rapidly expanding Al Saud satisfied, Fahd tolerated many forms of royal excess, from the construction by senior princes of multiple large palaces to their increased influence in much of the country's commerce. The persistence of such activity even in times of economic difficulty for most Saudis has led part of King Fahd's legacy to be the pervasive popular perception of significant Al Saud corruption. While oppositionists may have exaggerated the extent of royal greed and excess, the fact is that Fahd's laissez faire attitude toward the practices of many princes -- and his own willingness to flaunt family wealth -- built the foundation for such criticism.

18. (C) On the other hand, whereas previous kings had faced threats from within the Al Saud (ranging from senior princes' defections to Nasser's Egypt to Faisal's assassination at the hands of his nephew), Fahd's reign largely was free of such public intra-family squabbles. King Fahd's balancing act first involved taking care of the largest faction within the Al Saud -- his sons, his full brothers (known collectively as the Sudayri Seven and including Defense Minister and Second Deputy Prime Minister Sultan, Interior Minister Naif, and Governor of Riyadh Salman), and their progeny. For example, Fahd selected Sultan's son Bandar for the important post of Ambassador to the U.S., appointed his full brother Abd Al-Rahman as Vice Defense Minister, and distributed regional governorships to his son Muhammad (the Eastern Province) and Sultan's son Fahd (Tabuk). He also managed not to alienate non-Sudayris; he retained Saud Al-Faisal as foreign minister from Khalid's cabinet and selected or retained in key regional governor positions princes closer to Crown Prince

Abdullah than to himself (i.e., Majid in Mecca and Khalid Al-Faisal in Asir).

¶9. (C) Fahd maintained the delicate societal balance between the country's conservative religious traditions and forces of modernization and liberalization. Despite radical Islamic challenges that ranged from zealots' takeover of the Grand Mosque in Mecca in 1979 (when Fahd was Crown Prince) to the bombing of the headquarters of the U.S. Military Advisor to the Saudi National Guard in 1995, Fahd was able to appease or neutralize most religious elements through various means -- while repressing radical Islamists. Fahd expanded state support for Islam at home and abroad and maintained most of the kingdom's conservative laws; he even adopted the title "Custodian of the two Holy Mosques" in 1986 to bolster his Islamic credentials. However, Fahd also succeeded in muting most criticism from Saudi progressives by establishing and subsequently expanding the Majlis Al-Shura (which has a large technocratic component), and by appointing western-educated technocrats to trusted cabinet positions.

A stalwart U.S. ally

¶10. (C) Fahd was a friend of the United States. From the late 1970s until the fall of the Soviet Union, Fahd's Saudi Arabia was a staunch ally against communism -- witnessed most clearly in Saudi-U.S. cooperation in support of the Mujahidin fighting the Soviet invasion and occupation of Afghanistan. Fahd tightened the Saudi-U.S. security relationship with SAG purchases of F-15s and AWACS aircraft in the 1980s and supported moderation in oil prices. After Saddam Husayn's invasion of Kuwait, it was King Fahd -- against the advice of some leading Saudi princes -- who made the ultimate decision to invite U.S. and other foreign military forces into Saudi Arabia to help defend the Kingdom and, eventually, to liberate Kuwait.

¶11. (C) King Fahd played a key supporting role in the peace process. In 1977, he made a highly publicized visit to the U.S. to discuss the possibilities of a peace conference. Although the hard-line Arab consensus at the Baghdad conference in 1979 pushed the Saudis to reject the Camp David accords between Egypt and Israel, Fahd persuaded the conference not to apply economic sanctions to Egypt. In 1981, Fahd outlined a settlement for the conflict with Israel (known as the "Fahd plan," it was presented at the Arab Summit in Fez, Morocco in 1982) that provided at least the psychological basis for peace negotiations. More recently, King Fahd led Saudi Arabia to participate in the Madrid Conference and to support the Oslo and subsequent accords between Israel and the Palestinians. In addition, Fahd resisted Syrian pressure in 1991 and agreed to participate in the bilateral tracking of the peace process. This paved the way for the rest of the GCC, creating a critical mass of participation that was pivotal in enabling the five years of regional talks that followed.

¶12. (C) The flip side of such steady if not always lock-step support for U.S. interests in the region is the backlash against the U.S.-Saudi relationship that Fahd set into motion by tightening Riyadh's embrace of Washington. The presence of U.S. military forces in Saudi Arabia was at the core of the violent opposition to the Al Saud advocated by Usama bin Ladin and others. Fahd altered the bilateral strategic relationship, bringing the U.S. from its 1970s and 1980s "over the horizon" posture to a more visible presence posture after 1990. Ironically, by doing what he felt necessary-- calling on U.S. military forces to enter the Kingdom in an emergency -- the late King set forces in motion that challenged the U.S.-Saudi relationship in later years.

¶13. (C) The landscape of international relations in the Gulf and in the wider Middle East owes much to Fahd's regional stability efforts. The Gulf Cooperation Council, binding Saudi Arabia to Kuwait, Bahrain, Qatar, Oman, and the UAE, was established with Fahd's blessing in 1981 and has endured largely because of Saudi leadership. Despite numerous

provocations from Tehran -- including a dogfight between the Saudi and Iranian air forces over Gulf waters in 1984 -- King Fahd kept Saudi Arabia out of the Iran-Iraq war. Fahd was involved personally in resolving regional disagreements, such as the feud between Qatar and Bahrain in 1986 over disputed islands in the Gulf that probably would have led to a war without mediation efforts initiated by Fahd. Saudi Arabia's restoration of relations with Egypt in 1987 set the example for much of the Arab world to let Egypt back into the fold. After the Gulf war in 1991, Fahd invited Cairo and Damascus, regional rivals during the 1980s, into a largely symbolic but enduring security dialogue with the GCC states known as the Damascus Declaration. King Fahd also brought the Lebanese national assembly to Taif in 1989 to sign a charter of national reconciliation that provided the basis for Lebanon's political and economic recovery from years of civil war.

Comment

¶14. (C) Fahd's legacy is mixed. Some of the most pressing problems the Kingdom faces today find their genesis in the late King's policy choices. Lacking the religious stature and authority to contain the religious right, Fahd was obliged to allow one of the most crucial building blocks of a modern nation state -- the education system -- to remain in the hands of reactionary religious conservatives who saw no need to give Saudi Arabia's burgeoning youth the skills necessary to allow the country to overcome its near complete dependence on foreign labor. Although he was a forward-thinking man who was full of ideas, he was undisciplined and often failed to follow through on his own initiatives quickly -- if at all. One example among many is the Majlis Al-Shura, the establishment of which he promised numerous times over the years before its eventual creation. His efforts to expand the size of the Saudi government and centralize authority in Riyadh led to a bloated bureaucracy and an urban sprawl. Fahd's steps to open the Kingdom to foreign influences, which went far beyond the measures taken by his predecessors, energized conservative elements of Saudi society, in a development whose effects are still being felt.

¶15. (C) However, one would be hard pressed to overstate the imprint Fahd has left on Saudi domestic and international politics. His fading from the day-to-day management of the government over the past 10 years following his 1995 stroke does not diminish his accomplishments since the 1970s, and his death allows us to take a look back and realize to what extent Saudi political institutions and the U.S.-Saudi relationship grew out of his initiatives and policies. Fahd's policy errors and health problems later in life cannot overshadow the extent to which he shaped the modern Kingdom of Saudi Arabia and its foreign and domestic policies.

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